

COLORADO DEPARTMENT OF REVENUE

ELECTRONIC FUNDS TRANSFER (EFT) PROGRAM FOR TAX PAYMENTS

The Colorado Department of Revenue requires all organizations filing fuel, cigarette or tobacco taxes, severance withholding tax, employers with annual wage withholding liabilities greater than \$50,000.00, and businesses with annual state sales tax liabilities greater than \$75,000.00 to pay through Electronic Funds Transfer (EFT). Other individuals and organizations may also choose to pay electronically. Electronic payments offer you a number of benefits:

- The cost and time to write checks is eliminated.
- You know exactly when your account will be debited.
- You are assured that the funds are received on time, every time.
- You may also register to pay other taxes electronically. For all taxes except wage withholding, estimated income, income, income extensions, estimated severance and PUC fixed utility fees you will still **need to file a tax return**. Please see page 2 of form DR 5785 for all accepted tax types for EFT payments.
- You **must** file a complete sales and use tax return at the same time you make a sales/use tax payment.

ELECTRONIC PAYMENT OPTIONS

Colorado's Electronic Funds Transfer program offers two methods of electronic payment:

- Automated Clearing House Debit (ACH debit), telephone and Web payment options.
- Automated Clearing House Credit (ACH credit).

AUTOMATED CLEARING HOUSE DEBIT

To remit taxes via ACH debit, access our Web site or place a call to a toll-free number. Both processes will prompt you to enter seven pieces of information: your EFT identification number, your PIN (Personal Identification Number), tax type code, filing period ending date, dollar amount owed, the settlement/effective date, and your phone number. The systems, in return, provide a reference number as proof of payment. The funds are withdrawn from your account as soon as the following day. We offer payment warehousing, the opportunity to designate a payment date up to 365 days in the future, depending on tax type, allowing you to place your call in advance of the due date and have your funds withdrawn on the specified date. The Department of Revenue pays for the transaction.

In addition, our Web feature allows you to make tax payments, access your phone and Web payment history, change your PIN, or change banking information online through a secured Web site. Please check out our Web site at www.taxcolorado.com and select "Electronic Payments" under "Online Services."

AUTOMATED CLEARING HOUSE CREDIT

To initiate an ACH credit, instruct your financial institution to transfer funds from your account to the Department of Revenue's depository account. The ACH credit must be formatted utilizing the tax payment (TXP) convention within the addendum record of a CCD+ application. The ACH credit must be initiated on, or before, the due date; the funds are transferred to be received the next day by the Department of Revenue. The TXP addendum convention has been provided in this guide. Your financial institution may charge you for the transaction. Since some financial institutions can not originate ACH transactions, please contact them for more information.

HOW TO ENROLL

To participate in the EFT program, you must complete an "Authorization for Electronic Funds Transfer (EFT) for Tax Payments" (DR 5785). If you are registering for ACH debit, include a voided check from the financial institution account that you will be using for this service. Please mail or fax the completed form to:

Colorado Department of Revenue
Attn: CDO Research Unit
Denver, CO 80261
FAX (303) 866-3112

When completing the Authorization Agreement, indicate the appropriate tax type code for your tax(es). **Please note that registration in the program via the EFT authorization form is critical for:**

- Verification of the account numbers and tax liabilities listed on your authorization form.
- Assignment of a unique EFT identification number. This is necessary for the Department of Revenue to properly credit your tax account.

Once your application has been processed information to make these payments, including your EFT identification number, will be mailed to you within two weeks. Incomplete or illegible Authorization Agreements may be delayed or denied without notice.

FURTHER INFORMATION

If you have any questions or would like further information, please call the Colorado Department of Revenue's EFT helpline at (303) 205-8333. We are open Monday through Friday, 8:00 A.M. - 4:30 P.M. excluding state holidays.

ACH Debit Transaction

GENERAL INSTRUCTIONS

Submit your tax payment **before 4:00 P.M. Mountain Time** for credit to your account on that date. The payment Web site and phone system are available 24 hours a day, 7 days a week.

Before calling or logging on to the Web page:

- Prepare your tax information.
- Know your EFT ID Number, PIN (4 to 16 digits), tax type code, banking information, payment amount, filing period ending date, phone number or email address, and the date you want the payment deducted from your bank account.
- For other questions refer to the *"Frequently Asked Questions"* on the Electronic Payment Web page or call the EFT Helpline at (303) 205-8333.
- Before ending the call or logging out be prepared to write down the 15-digit confirmation number (COLTAX#####) or print the confirmation # page.

LOG ON TO:

www.taxcolorado.com and select electronic payment, then the EFT option to access the Web payment system.

OR

CALL 1-877-265-6338 (1-877-COLOEFT) to access the telephone payment system.

This is an automated system that uses your telephone's key pad for interaction with you.

TO MAKE A PAYMENT

1. The system will prompt you to enter or accept (if you only have one type on file with us) your tax type code.
2. The system will prompt you for your banking information. You can use the account that was used on previous payments or enter new bank account information. For a new account, you will need to enter your bank's nine digit routing/transit number that can be found in the lower left hand corner of your check, your account number, indicate if it is a checking or savings account, and if it is a consumer (refers to personal account) or business account.
3. The system will prompt you to enter the amount you wish to pay in dollars and cents. You must enter cents (.00) even if you are paying a whole dollar amount.
4. The system will prompt you to enter the filing period end date in 'YYMMDD' format. **NOTE:** This is **NOT** the payment due date, except for Agreements to Pay.

5. The system will prompt you to enter the phone number or email address of the person making the transaction.
6. The system will inform you of the first day this payment will be deducted from your bank account. The system will ask if you wish to use this, or a future date.
7. The system will confirm the payment amount, the bank account that will be debited, and the payment date.
8. The system will then give you a confirmation number for your records.

Required Tax Payment (TXP) Addendum Convention, for ACH Credits

The following convention contains the format, data content, and implementation requirements for organizations to initiate an ACH credit tax payment. This record format is to be used with the National Automated Clearing House Association's (NACHA) CCD+ application. The format is used in the free form field of the CCD+ addendum record. Not all financial institutions will process ACH credits. Contact your financial institution for information.

TXP ADDENDUM LAYOUT FOR THE ELECTRONIC PAYMENT OF COLORADO TAXES

Field Number	Field Name (Data Elements & Separators)	Data Element Type	Min/Max Characters	Contents
	Segment Identifier Separator		3 1	TXP *
TXP01	Taxpayer Identification (EFT Number) Separator	AN	1/15 1	*-----
TXP02	Tax Type Code Separator	ID	1/5 1	XXXXX *
TXP03	Tax Period End Date Separator	DT	6/6 1	YYMMDD *
TXP04	Amount Type (Tax) Separator	ID	1/1 1	"T" *
TXP05	Amount Separator	N2	1/10	\$\$\$\$\$\$\$ *
If paying penalty and interest include TXP06 through TXP09. (Only required if tax does not require filing a form.)				
TXP06	Amount Type (Penalty) Separator	ID	1/1	"P" *
TXP07	Amount Separator	N2	1/10	\$\$\$\$\$\$\$ *
TXP08	Amount Type (Interest) Separator	ID	1/1	"I" *
TXP09	Amount Terminator	N2	1/10 1	\$\$\$\$\$\$\$ \

See sample on page 4.

*******SAMPLE ACH CREDIT ADDENDUM*******

TAXPAYER EFT NUMBER: 3710123456 (Sample EFT # only.)
TAX TYPE: Wage Withholding (code 011)
FOR THE PERIOD ENDING: December 31, 2010
AMOUNT OWED: \$101,999.97

THE INFORMATION LISTED ABOVE IS FORMATTED AS FOLLOWS:

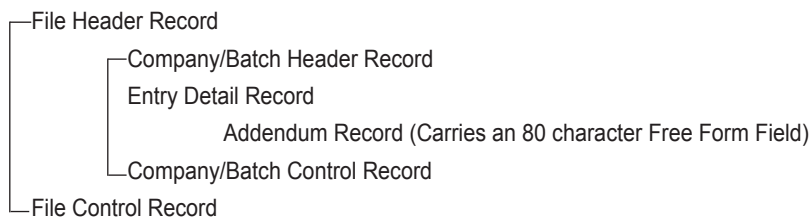
TXP*3710123456*011*101231*T*10199997

NACHA CONVENTION SPECIFICATIONS

The convention specifications and implementation considerations are specified as follows.

NACHA Record Formats

NACHA record formats for CCD+ entries flow in the following order:



The Department of Revenue can provide additional information explaining and specifying how fields are to be utilized in conjunction with the TXP convention. For more specific information on NACHA formats, specifications and definitions, refer to the ACH Rules available from NACHA.